

Bill No. S-97-06-03

SPECIAL ORDINANCE NO. S- 60-97

AN ORDINANCE AMENDING ORDINANCE NO. S-79-96, ADOPTED NOVEMBER 12, 1996, BEING "AN ORDINANCE CONCERNING THE CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE WATERWORKS OF THE CITY OF FORT WAYNE, THE ISSUANCE OF REVENUE BONDS TO PROVIDE THE COST THEREOF, THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WORKS, THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SAID BONDS, THE ISSUANCE OF NOTES IN ANTICIPATION OF BONDS, OTHER MATTERS CONNECTED THEREWITH, AND REPEALING ORDINANCES INCONSISTENT THEREWITH"

WHEREAS, the City of Fort Wayne, Indiana (the "City") has adopted Ordinance No. S-79-96 (the "1996 Ordinance"), approved by the Common Council of the City on November 12, 1996; and

WHEREAS, upon advice of Municipal Consultants, financial advisor to the City, the City has obtained credit enhancement insurance through Financial Guaranty Insurance Company; and

WHEREAS, it is necessary to amend Ordinance No. S-79-96 to reflect the terms of the credit enhancement insurance policy.

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Fort Wayne, Indiana:

Section 1. Amendments to Prior Ordinance.

(a) The Form of Bond contained in Section 5 of the 1996 Ordinance is amended to read as follows:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF ALLEN

CITY OF FORT WAYNE

WATERWORKS REVENUE BOND OF 1997

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Original</u> <u>Date</u>	<u>Authentication</u> <u>Date</u>	<u>CUSIP</u>
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Registered Owner:

Principal Sum:

The City of Fort Wayne, in Allen County, State of Indiana, for value received, hereby promises to pay to the Registered Owner set forth above, solely out of the special fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond is subject to and is called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Sum shall be fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case interest shall be paid from such interest payment date, or unless this bond is authenticated on or before November 15, 1997 in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of June and December of each year, beginning on December 1, 1997.

The principal of this bond is payable at the principal corporate trust office of Fort Wayne National Bank (the "Registrar" or "Paying Agent"), in Fort Wayne, Indiana. All payments of interest on this bond shall be paid by check or draft mailed one business day prior to the interest payment date to the registered owner hereof as of the fifteenth day of the month preceding the interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments of principal of this bond shall be

1 made upon surrender thereof at the principal corporate trust office of
2 the Paying Agent in any coin or currency of the United States of
3 America which on the dates of such payment shall be legal tender for
4 the payment of public and private debts.

5 This bond shall not constitute an indebtedness of the City of
6 Fort Wayne within the meaning of the provisions and limitations of
7 the constitution of the State of Indiana, and the City shall not be
8 obligated to pay this bond or the interest thereon except from the
9 special fund provided from the net revenues of the City's waterworks
10 utility.

11 The terms and provisions of this bond are continued on the reverse
12 side hereof and such terms and provisions shall for all purposes have the
13 same effect as though fully set forth at this place.

14 It is hereby certified and recited that all acts, conditions and
15 things required to be done precedent to and in the preparation and
16 complete execution, issuance and delivery of this bond have been
17 done and performed in regular and due form as provided by law.

18 This bond shall not be valid or become obligatory for any
19 purpose until the certificate of authentication hereon shall have been
20 executed by an authorized representative of the Registrar.

21 IN WITNESS WHEREOF, the City of Fort Wayne, in Allen
22 County, Indiana, has caused this bond to be executed in its corporate
23 name by the manual or facsimile signatures of the Mayor and
24 Controller, its corporate seal to be hereunto affixed, imprinted or
25 impressed by any means and attested manually or by facsimile by its
26 City Clerk.

27 CITY OF FORT WAYNE, INDIANA

28 (SEAL OF CITY)

29 By _____
Mayor

30 By _____
Controller

31 ATTEST:

32 _____
City Clerk

(Form of Registrar's Certificate of Authentication)

It is hereby certified that this bond is one of the bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

FORT WAYNE NATIONAL BANK, FORT WAYNE, INDIANA,
as Registrar

By _____
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the City of Fort Wayne, of like original date, tenor and effect, except as to denomination, numbering, interest rates, redemption terms and dates of maturity, in the total amount of _____ Dollars (\$_____), numbered from 1 up, issued for the purpose of providing funds to be applied to the payment of the costs of construction of an elevated water tower, maintenance facility, improvements to the chemical storage facility and to pay incidental expenses, as authorized by Ordinance No. __ adopted by the Common Council of the City of Fort Wayne on the ____ day of ____, 1996, as amended, entitled "AN ORDINANCE concerning the construction of additions and improvements to the waterworks of the city of Fort Wayne, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said bonds, the issuance of notes in anticipation of bonds, other matters connected therewith, and repealing ordinances inconsistent therewith.

Pursuant to the provisions of the Act and said Ordinance, the principal of and interest on this bond and all other bonds of said issue, ranking on parity with the Waterworks Refunding Revenue Bonds of 1993, now outstanding in the principal amount of Twenty-Two Million One Hundred Ten Thousand Dollars (\$22,110,000) and maturing on December 1, each year to and including December 1, 2006, and any bonds hereafter issued on a parity therewith are payable solely from the Waterworks Sinking Fund to be provided from the net revenues (defined as the gross revenues of the waterworks of the City

1 after deduction only for the payment of the reasonable expenses of
2 operation, repair and maintenance but not including depreciation and
3 payments in lieu of taxes). This bond and the issue of which it is a
4 part, together with any parity bonds hereafter issued, constitute a first
5 charge against said net revenues.

6 The City of Fort Wayne irrevocably pledges the entire net
7 revenues of said waterworks to the prompt payment of the principal of
8 and interest on the bonds authorized by the Ordinance, of which this
9 is one, the 1993 Bonds and any bonds ranking on a parity therewith,
10 to the extent necessary for that purpose, and covenants that it will
11 cause to be fixed, maintained and collected such rates and charges for
12 service rendered by said works as are sufficient in each year for the
13 payment of the proper and reasonable expenses of operation, repair
14 and maintenance of said works and for the payment of the sums
15 required to be paid into said Waterworks Sinking Fund under the
16 provisions of the Ordinance. In the event the City or the proper
17 officers thereof shall fail or refuse to so fix, maintain and collect such
18 rates or charges, or if there be a default in payment of the interest on
19 or principal of this bond, the owner of this bond shall have all of the
20 rights and remedies provided for under Indiana law.

21 The City of Fort Wayne further covenants that it will set aside
22 and pay into its Waterworks Sinking Fund a sufficient amount of the
23 net revenues of said works to (a) pay the principal and interest
24 payments on all bonds payable from the net revenues of the
25 waterworks, as such principal and interest shall fall due, and (b) pay
26 the necessary fiscal agency charges for paying all bonds and interest
27 as required by the Ordinance. Such required payments shall constitute
28 a first charge upon all the net revenues of said works.

29 The bonds of this issue maturing on or after December 1, 2005
30 are redeemable at the option of the City on December 1, 2004 or any
31 date thereafter, on thirty (30) days' notice, in whole or in part, in any
32 order of maturities selected by the City and by lot within a maturity, at
33 100% of face value, together with the following premium:

34 2% if redeemed on December 1, 2004 or thereafter on or before
35 November 30, 2005;

36 1% if redeemed on December 1, 2005 or thereafter on or before
37 November 30, 2006;

38 0% if redeemed on December 1, 2006 or thereafter prior to maturity;

39 plus accrued interest to the date fixed for redemption.

1 right to receive such payment and any appropriate instruments of
2 assignment required to vest all of such Bondholder's right to such
3 payment in Financial Guaranty, the Fiscal Agent will disburse such
4 amount to the Bondholder.

5 As used herein the term "Bondholder" means the person other
6 than the City or the borrower(s) of bond proceeds who at the time of
7 nonpayment of a Bond is entitled under the terms of such Bond to
8 payment thereof.

9 The policy is non-cancelable for any reason.

10 FINANCIAL GUARANTY INSURANCE COMPANY

11 (Form of Assignment)

12 FOR VALUE RECEIVED the undersigned hereby sells,
13 assigns and transfers unto _____ (Please Print or
14 Typewrite Name and Address) \$_____ principal amount
15 (must be a multiple of \$5,000) of the within bond and all rights
16 thereunder, and hereby irrevocably constitutes and appoints _____
17 _____, attorney to transfer the within bond on the books kept for
18 the registration thereof with full power of substitution in the premises.

19
20 NOTICE: The signature to this
21 assignment must correspond with the
22 name as it appears on the face of the
23 within bond in every particular, without
24 alteration or enlargement or any change
25 whatsoever.

26 Signature Guaranteed:

27
28 _____
29 NOTICE: Signature(s) must be
30 guaranteed by a member firm of
31 the New York Stock Exchange or a
32 commercial bank or trust company.

33 (End of Bond Form)"

34 (b) The 2nd full paragraph of Section 2; subsection (b), of the
35 1996 Ordinance is hereby amended to change the beginning interest payment date of
36 June 1, 1997 to December 1, 1997. The amended paragraph will read as follows:

37 "The 1997 Bonds shall be sold at a price not less than 98.0% of the par value
38
39
40

1 The Bonds maturing on _____ are subject to
2 mandatory sinking fund redemption on _____ in the years
3 and amounts set forth below:

4 <u>Year</u>	5 <u>Amount</u>
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6 Notice of such redemption shall be mailed by first-class mail
7 or by registered or certified mail not more than sixty (60) days and not
8 less than thirty (30) days prior to the date fixed for redemption to the
9 address of the Registered Owner as shown on the registration record
10 of the City except to the extent such redemption notice is waived by
11 the owners of the bond or bonds redeemed, provided, however, that
12 failure to give such notice by mailing, or any defect therein, with
13 respect to any bond shall not affect the validity of any proceedings for
14 the redemption of any other bonds. The notice shall specify the date
15 and place of redemption, the redemption price and the CUSIP
16 numbers of the bonds called for redemption. The place of redemption
17 may be determined by the City. Interest on the bonds so called for
18 redemption shall cease on the redemption date fixed in such notice if
19 sufficient funds are available at the place of redemption to pay the
20 redemption price on the date so named, and thereafter, such bonds
21 shall no longer be protected by the Ordinance and shall not be deemed
22 to be outstanding thereunder, and the holders thereof shall have the
23 right only to receive the redemption price.

24 If this bond shall not be presented for payment on the date
25 fixed therefor, the City may deposit in trust with the Paying Agent or
26 another financial institution approved by the City, an amount
27 sufficient to pay such bond, and thereafter the Registered Owner shall
28 look only to the funds so deposited in trust with said financial
29 institution for payment and the City shall have no further obligation or
30 liability in respect thereto.

31 This bond is subject to defeasance prior to payment as
32 provided in the Ordinance and the owner of this bond, by the
33 acceptance hereof, hereby agrees to all the terms and provisions
34 contained in the Ordinance.

35 This bond is transferable or exchangeable only upon the books
36 of the City kept for that purpose at the office of the Registrar by the
37 Registered Owner in person, or by his attorney duly authorized in
38 writing, upon surrender of this bond together with a written
39 instrument of transfer or exchange satisfactory to the Registrar duly
40 executed by the Registered Owner or his attorney duly authorized in
41 writing, and thereupon a new fully registered bond or bonds in the

1 same aggregate principal amount, and of the same maturity, shall be
2 executed and delivered in the name of the transferee or transferees or
3 the Registered Owner, as the case may be, in exchange therefor. The
4 City, any registrar and any paying agent for this bond may treat and
5 consider the person in whose name this bond is registered as the
6 absolute owner hereof for all purposes including for the purpose of
7 receiving payment of, or on account of, the principal hereof and
8 interest due hereon.

9
10 The bonds maturing in any one year are issuable only in fully
11 registered form in the denomination of \$5,000 or any integral multiple
12 thereof not exceeding the aggregate principal amount of the bonds
13 maturing in such year.

14 STATEMENT OF INSURANCE

15 Financial Guaranty Insurance Company ("Financial
16 Guaranty") has issued a policy containing the following provisions
17 with respect to this bond and all other bonds of this issue, such policy
18 being on file at the principal office of the Paying Agent:

19 Financial Guaranty hereby unconditionally and irrevocably
20 agrees to pay for disbursement to the Bondholders that portion of the
21 principal of and interest on the Bonds which is then due for payment
22 and for which the City shall have failed to provide. Due for payment
23 means, with respect to the principal, the stated maturity date thereof or
24 the Rate on which the same shall have been duly called for mandatory
25 sinking fund redemption and does not refer to any earlier date on
26 which the payment of principal of the Bonds is due by reason of call
27 for redemption (other than mandatory sinking fund redemption),
28 acceleration or other advancement of maturity, and with respect to
29 interest, the stated date for payment of such interest.

30 Upon receipt of telephonic or telegraphic notice, subsequently
31 confirmed in writing, or written notice by registered or certified mail,
32 from a Bondholder or the Paying Agent to Financial Guaranty that the
33 required payment of principal or interest has not been made by the
34 City to the Paying Agent, Financial Guaranty on the due date of such
35 payment or within one business day after receipt of notice of such
36 nonpayment, whichever is later, will make a deposit of funds, in an
37 account with State Street Bank and Trust Company, N.A., or its
38 successor as its agent (the "Fiscal Agent"), sufficient to make the
39 portion of such payment not paid by the City. Upon presentation to
40 the Fiscal Agent of evidence satisfactory to it of the Bondholder's

thereof (exclusive of original issue discount), shall be issued in fully registered form in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof, shall be numbered consecutively from 1 up, shall be originally dated as of the first day of the month in which the 1997 Bonds are sold or as otherwise determined by the Controller, and shall bear interest at a rate or rates not exceeding eight percent (8%) per annum (the exact rate or rates to be determined by public sale) payable on the first (1st) day of June and December in each year, beginning on December 1, 1997. The 1997 Bonds shall mature serially on December 1 in the years and substantially in accord with the schedule set forth on Exhibit B, with such changes thereto as are approved by the Controller, including the authorization and issuance of the term bonds."

(c) Section 21 of the 1996 Ordinance is amended to read as follows:

"SECTION 21. Provisions Regarding Bond Insurance. The provisions of this Section shall apply with respect to any 1997 Bonds owned or insured by the Bond Insurer (as defined below) except to the extent waived in writing by the Bond Insurer.

(a) Definitions. The terms:

"Bond Insurer" shall mean Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

"Bond Insurance Policy" shall mean the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the 1997 Bonds.

(b) Consent of Bond Insurer to Amendments Required.

Any amendment or supplement to this Ordinance shall be subject to the prior written consent of the Bond Insurer. Any rating agency rating the 1997 Bonds must receive notice of each amendment or supplement and a copy thereof at least fifteen (15) days in advance of its execution or adoption.

(c) Notices. The City shall furnish to the Bond Insurer:

(1) Within 120 days after the end of the City's fiscal year, budget for the new year; latest annual audited financial statements; a statement of the amount on deposit in the Reserve Account as of the last valuation (as described in (d) below); if not presented in the audited financial statements, a statement of the net revenues pledged

1 to payment of 1997 Bonds in such fiscal year; the number of system
2 users as of the end of the fiscal year; notification of the withdrawal of
3 any system user comprising 4% or more of system sales measured in
4 terms of revenue dollars since the last reporting date; and any
5 significant plant retirements or expansions planned or undertaken
6 since the last reporting date;

7 (2) Official statement or other disclosure, if any, prepared
8 in connection with the issuance of additional bonds, whether or not
9 issued on a parity with the 1997 Bonds, within 30 days after the sale
10 thereof;

11 (3) Notice of any draw upon the Reserve Account, or any
12 deficiency as of the latest valuation due to market fluctuation in the
13 amount on deposit in the Reserve Account;

14 (4) Notice of the redemption of any of the 1997 Bonds,
15 including the principal amount, maturities and CUSIP numbers
16 thereof; and

17 (5) Such additional information as the Bond Insurer may
18 reasonably request from time to time.

19 (d) Valuation of Reserve Account and Depreciation Fund;
20 Permitted Investments.

21 (1) Within ninety (90) days after the end of each fiscal
22 year, amounts held in the Reserve Account shall be valued at the
23 lesser of cost or the market value thereof. If the market valuation is
24 less than ninety percent (90%) of the Reserve Requirement, the
25 deficiency shall be restored within twelve (12) months from the date
26 of the valuation (i) in twelve (12) substantially equal monthly deposits
27 from the next available net revenues after required deposits to the
28 Debt Service Account, and/or (ii) from revaluation of investments at
29 the market value thereof, exclusive of accrued interest.

30 The value of such investments shall be determined as follows:

31 (A) as to investments the bid and asked prices of which are
32 published on a regular basis in The Wall Street Journal
33 (or, if not there, then in The New York Times): the
34 average of the bid and asked prices for such
35 investments so published on or most recently prior to
36 the time of determination;

1 (B) as to investments the bid and asked prices of which are
2 not published on a regular basis in The Wall Street
3 Journal or The New York Times: the average bid price
4 at the time of determination for such investments by
5 any two nationally recognized government securities
6 dealers (selected by the Paying Agent in its absolute
7 discretion) at the time making a market in such
8 investments or the bid price published by a nationally
9 recognized pricing service;

10 (C) as to certificates of deposit and bankers acceptances:
11 the face amount thereof, plus accrued interest; and

12 (D) as to any investment not specified above: the value
13 thereof established by prior agreement between the
14 City and the Bond Insurer.

15 (2) Notwithstanding anything in Section 10 to the
16 contrary, the balance in the Depreciation Fund shall be at least equal
17 to \$1,000,000 within three (3) years from the date of issuance of the
18 1997 Bonds. Thereafter, in the event moneys are withdrawn from the
19 Depreciation Fund leaving a balance therein of less than \$1,000,000,
20 valued at the lower of cost or the market value thereof, then such
21 deficiency under \$1,000,000 shall be restored within eighteen (18)
22 months from available net revenues after required deposits to the
23 Sinking Fund. Furthermore, notwithstanding anything in Section 10
24 to the contrary, the balance in the Depreciation Fund shall be at least
25 equal to \$333,000 one (1) year after the date of issuance of the 1997
26 Bonds, and at least equal to \$666,000 two (2) years after the date of
27 issuance of the 1997 Bonds.

28 (3) All investments of the funds and accounts described in
29 this Ordinance shall be limited to the following:

30 (A) direct obligations of the United States of America and
31 securities fully and unconditionally guaranteed as to
32 the timely payment of principal and interest by the
33 United States of America, provided, that the full faith
34 and credit of the United States of America must be
35 pledged to any such direct obligation or guarantee
36 ("Direct Obligations");

37 (B) direct obligations and fully guaranteed certificates of
38 beneficial interest of the Export-Import Bank of the
39 United States; consolidated debt obligations and letter

1 of credit-backed issues of the Federal Home Loan
2 Banks; participation certificates and senior debt
3 obligations of the Federal Home Loan Mortgage
4 Corporation ("FHLMCs"); debentures of the Federal
5 Housing Administration; mortgage-backed securities
6 (except stripped mortgage securities which are valued
7 greater than par on the portion of unpaid principal) and
8 senior debt obligations of the Federal National
9 Mortgage Association ("FNMA's"); participation
10 certificates of the General Services Administration;
11 guaranteed mortgage-backed securities and guaranteed
12 participation certificates of the Government National
13 Mortgage Association ("GNMA's"); guaranteed
14 participation certificates and guaranteed pool
15 certificates of the Small Business Administration; debt
16 obligations and letter of credit-backed issues of the
17 Student Loan Marketing Association; local authority
18 bonds of the U.S. Department of Housing & Urban
19 Development; guaranteed Title XI financing of the
20 U.S. Maritime Administration; guaranteed transit
21 bonds of the Washington Metropolitan Area Transit
22 Authority; Resolution Funding Corporation securities;

14 (C) direct obligations of any state of the United States of
15 America or any subdivision or agency thereof whose
16 unsecured, uninsured and unguaranteed general
17 obligation debt is rated, at the time of purchase, "A" or
18 better by Moody's Investors Service and "A" or better
19 by Standard & Poor's Corporation, or any obligation
20 fully and unconditionally guaranteed by any state,
21 subdivision or agency whose unsecured, uninsured and
22 unguaranteed general obligation debt is rated, at the
23 time of purchase, "A" or better by Moody's Investors
24 Service and "A" or better by Standard & Poor's
25 Corporation;

22 (D) commercial paper (having original maturities of not
23 more than 270 days) rated, at the time of purchase, "P-
24 1" by Moody's Investors Service and "A-1" or better by
25 Standard & Poor's Corporation;

25 (E) Federal funds, unsecured certificates of deposit, time
26 deposits or bankers acceptances (in each case having
27 maturities of not more than 365 days) of any domestic
28 bank including a branch office of a foreign bank which
29

1 branch office is located in the United States, provided
2 legal opinions are received to the effect that full and
3 timely payment of such deposit or similar obligation is
4 enforceable against the principal office or any branch
5 of such bank, which, at the time of purchase, has a
6 short-term "Bank Deposit" rating of "P-1" by Moody's
7 and a "Short-Term CD" rating of "A-1" or better by
8 S&P;

9 (F) deposits of any bank or savings and loan association
10 which has combined capital, surplus and undivided
11 profits or not less than \$3 million, provided such
12 deposits are continuously and fully insured by the
13 Bank Insurance Fund or the Savings Association
14 Insurance Fund of the Federal Deposit Insurance
15 Corporation;

16 (G) investments in money-market funds rated "AAAm" or
17 "AAAM-G" by Standard & Poor's Corporation;

18 (H) repurchase agreements collateralized by Direct
19 Obligations, GNMMAs, FNMMAs or FHLMMCs with any
20 registered broker/dealer subject to the Securities
21 Investors' Protection Corporation jurisdiction or any
22 commercial bank insured by the FDIC, if such
23 broker/dealer or bank has an uninsured, unsecured and
24 unguaranteed obligation rated "P-1" or A3" or better by
25 Moody's Investors Service, and "A-1" or "A-" or better
26 by Standard & Poor's Corporation, provided:

27 a. a master repurchase agreement or specific
28 written repurchase agreement governs the
29 transaction; and

30 b. the securities are held free and clear of any lien
31 by the Trustee or an independent third party
32 acting solely as agent ("Agent") for the Trustee,
33 and such third party is (i) a Federal Reserve
34 Bank, (ii) a bank which is a member of the
35 Federal Deposit Insurance Corporation and
36 which has combined capital, surplus and
37 undivided profits of not less than \$50 million or
38 (iii) a bank approved in writing for such
39 purpose by Financial Guaranty Insurance
40 Company, and the Trustee shall have received

1 written confirmation from such third party that
2 it holds such securities, free and clear of any
lien, as agent for the Trustee; and

3 c. a perfected first security interest under the
4 Uniform Commercial Code, or book entry
5 procedures prescribed at 31 C.F.R. 306.1 et seq.
6 or 31 C.F.R. 350 et seq. in such securities is
created for the benefit of the Trustee; and

7 d. the repurchase agreement has a term of 180
8 days or less, and the Trustee or the Agent will
9 value the collateral securities no less frequently
10 than weekly and will liquidate the collateral
securities if any deficiency in the required
collateral percentage is not restored within two
business days of such valuation; and

11 e. the fair market value of the securities in relation
12 to the amount of the repurchase obligation,
13 including principal and interest, is equal to at
least 103%.

14 (e) Defeasance and Redemption Provisions.

15 Notwithstanding anything herein to the contrary, in the event that the
16 principal and/or interest due on the 1997 Bonds shall be paid by the
17 Bond Insurer pursuant to the Bond Insurance Policy, the 1997 Bonds
18 shall remain outstanding for all purposes (including for purposes of
19 Section 14 hereof), not be defeased or otherwise satisfied and not be
20 considered paid by the City, and the pledge of security for the 1997
Bonds herein and all covenants, agreements and other obligations of
the City to the registered owners of 1997 Bonds shall continue to exist
and shall run to the benefit of the Bond Insurer, and the Bond Insurer
shall be subrogated to the rights of such registered owners.

21 In the event of an advance refunding, the City shall cause to be
22 delivered a verification report of an independent nationally recognized
23 certified public accountant.

24 (f) Conditions to Issuance of Additional Bonds.

25 Notwithstanding satisfaction of other conditions to the issuance of
26 additional bonds contained in Section 15 of this Ordinance, no such
issuance may occur should any default hereunder have occurred and
27 be continuing.
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29
30

1 Additional parity bonds may be issued upon demonstration
2 that net revenues, as certified by an independent firm of certified
3 public accountants, equaled at least (i) 120% of maximum annual debt
4 service on all outstanding bonds and proposed parity bonds and (ii)
5 100% of maximum annual debt service on all outstanding subordinate
6 debt, in each case for a period of twelve (12) consecutive months
7 during the eighteen (18) month period immediately preceding the
8 proposed issuance date. For this purpose, net revenues may be
9 adjusted to give effect to the following:

10 (1) Rates that went into effect prior to the issuance of the
11 proposed bonds, as if they were in effect for the entire twelve (12)
12 month test period;

13 (2) New customers which consist of existing residential,
14 commercial and industrial dwellings that were connected to the works
15 prior to the issuance of the proposed bonds, as if such customers had
16 been connected to the works for the entire twelve (12) month test
17 period;

18 (3) The acquisition of a surrounding system prior to the
19 issuance of the proposed bonds or a system that will be acquired with
20 the issuance of the proposed bonds; and

21 (4) Long-term wholesale contracts entered into prior to the
22 issuance of the proposed bonds which have a service agreement that
23 extends beyond the final maturity of the proposed bonds to be issued.

24 (g) Payment Procedure. As long as the Bond Insurance
25 Policy shall be in full force and effect, the City and any Paying Agent
26 agree to comply with the following provisions:

27 (i) If, on the third day preceding any interest payment date for
28 the 1997 Bonds, there is not on deposit with the Registrar sufficient
29 moneys available to pay all principal of and interest on the 1997
30 Bonds due on such date, the Registrar shall immediately notify the
31 Bond Insurer and State Street Bank and Trust Company, N.A., or its
32 successor as its Fiscal Agent (the "Fiscal Agent") of the amount of
33 such deficiency. If, by said interest payment date, the City has not
34 provided the amount of such deficiency, the Registrar shall
35 simultaneously make available to the Bond Insurer and to the Fiscal
36 Agent the registration books for the 1997 Bonds maintained by the
37 Registrar. In addition:

38 (A) The Registrar shall provide the Bond Insurer with a list of the

1 bondholders entitled to receive principal or interest payments
2 from the Bond Insurer under the terms of the Bond Insurance
3 Policy and shall make arrangements for the Bond Insurer and
4 its Fiscal Agent (1) to mail checks or drafts to bondholders
5 entitled to receive full or partial interest payments from the
6 Bond Insurer and (2) to pay principal of the 1997 Bonds
7 surrendered to the Fiscal Agent by the bondholders entitled to
8 receive full or partial principal payments from the Bond
9 Insurer; and

10 (B) The Registrar shall, at the time it makes the registration books
11 available to the Bond Insurer pursuant to (A) above, notify
12 bondholders entitled to receive the payment of principal of or
13 interest on the 1997 Bonds from the Bond Insurer (1) as to the
14 fact of such entitlement, (2) that the Bond Insurer will remit to
15 them all or part of the interest payments coming due subject to
16 the terms of the Bond Insurance Policy, (3) that, except as
17 provided in paragraph (ii) below, in the event that any
18 bondholder is entitled to receive full payment of principal
19 from the Bond Insurer, such bondholder must tender his 1997
20 Bond with the instrument of transfer in the form provided on
21 such 1997 Bond executed in the name of the Bond Insurer, and
22 (4) that, except as provided in paragraph (ii) below, in the
23 event that such bondholder is entitled to receive partial
24 payment of principal from the Bond Insurer, such bondholder
25 must tender such 1997 Bond for payment first to the Registrar,
26 which shall note on such 1997 Bond the portion of principal
27 paid by the Registrar, and then, with an acceptable form of
28 assignment executed in the name of the Bond Insurer, to the
29 Fiscal Agent, which will then pay the unpaid portion of
30 principal to the bondholder subject to the terms of the Bond
Insurance Policy.

(ii) In the event that the Registrar has notice that any payment
of principal of or interest on a 1997 Bond has been recovered from a
bondholder pursuant to the United States Bankruptcy Code by a
trustee in bankruptcy in accordance with the final, nonappealable
order of a court having competent jurisdiction, the Registrar shall, at
the time it provides notice to the Bond Insurer, notify all bondholders
that in the event that any bondholder's payment is so recovered, such
bondholder will be entitled to payment from the Bond Insurer to the
extent of such recovery, and the Registrar shall furnish to the Bond
Insurer its records evidencing the payments of principal of and
interest on the 1997 Bonds which have been made by the Registrar
and subsequently recovered from bondholders, and the dates on which

such payments were made.

(iii) The Bond Insurer shall, to the extent it makes payment of principal of or interest on the 1997 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (1) in the case of subrogation as to claims for past due interest, the Registrar shall note the Bond Insurer's rights as subrogee on the registration books maintained by the Registrar upon receipt from the Bond Insurer of proof of the payment of interest thereon to the bondholders of such 1997 Bonds and (2) in the case of subrogation as to claims for past due principal, the Registrar shall note the Bond Insurer's rights as subrogee on the registration books for the 1997 Bonds maintained by the Registrar upon receipt of proof of the payment of principal thereof to the holders of such 1997 Bonds. Notwithstanding anything in this Ordinance or the 1997 Bonds to the contrary, the Registrar shall make payment of such past due interest and past due principal directly to the Bond Insurer to the extent that the Bond Insurer is a subrogee with respect thereto.

(h) Paying Agent Provisions. Notwithstanding any other provision of this Ordinance, no removal or resignation of the Paying Agent shall take effect until a successor has been appointed and has accepted the duties of Paying Agent. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent and the appointment of any successor thereto.

(i) Interested Parties. To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Bond Insurer, the Registrar and Paying Agent and the registered owners of the 1997 Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereunder, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Bond Insurer, the Registrar and Paying Agent and the registered owners of the 1997 Bonds.

1 (j) Notices. The notice addresses for the Bond Insurer and
the Fiscal Agent are as follows:

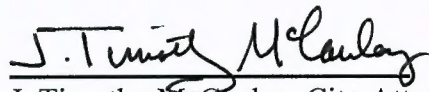
2 Financial Guaranty Insurance Company
3 115 Broadway
4 New York, New York 10006
5 Attention: General Counsel

6 State Street Bank and Trust Company, N.A.
7 61 Broadway
8 New York, New York 10006
9 Attention: Corporate Trust Office"

10 **SECTION 2. Effectiveness.** Except as expressly set forth herein, all
of the terms and provisions of said Ordinance No. S-79-96 shall remain in full force
11 and effect. This Ordinance shall be in full force and effect from and after its passage,
and any and all necessary approvals by the Mayor.

12 
13 Council Member

14 APPROVED AS TO FORM AND LEGALITY

15 
16 J. Timothy McCaulay, City Attorney
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Read the first time in full and on motion by Crawford,
and duly adopted, read the second time by title and referred to the Committee on Finance, (and the City Plan Commission for recommendation)
and Public Hearing to be held after due legal notice, at the Common Council Conference
Room 128, City-County Building, Fort Wayne, Indiana, on _____,
the _____ day of _____, 19____, at
o'clock _____ M., E.S.T.

DATED: 6-10-97

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Crawford
and duly adopted, placed on its passage. LOST
by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	<u>6</u>			<u>2</u>
BENDER				<u>✓</u>
CRAWFORD	<u>✓</u>			
EDMONDS				<u>✓</u>
HALL	<u>✓</u>			
HAYHURST	<u>✓</u>			
HENRY	<u>✓</u>			
LUNSEY				<u>✓</u>
RAVINE	<u>✓</u>			
SCHMIDT	<u>✓</u>			

DATED: 6-24-97

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana,

as (ANNEXATION) _____ (APPROPRIATION) _____ (GENERAL) _____ (SPECIAL) _____
(ZONING) _____ ORDINANCE _____ RESOLUTION NO. S-60-97

on the 24th day of June, 1997

ATTEST: Sandra E. Kennedy SEAL Thomas P. Helmke
SANDRA E. KENNEDY, CITY CLERK PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the
25th day of June, 1997,
at the hour of 11:30 o'clock AM, M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 3rd day
of July, 1997, at the hour of 11:00
o'clock A M., E.S.T.

PAUL HELMKE
PAUL HELMKE, MAYOR

BILL NO. S-97-06-03

REPORT OF THE COMMITTEE ON FINANCE

JOHN N. CRAWFORD - DONALD J. SCHMIDT - CO-CHAIR
ALL COUNCIL MEMBERS

WE, YOUR COMMITTEE ON FINANCE TO WHOM
WAS REFERRED AN (ORDINANCE) ~~(RESOLUTION)~~ amending Ordinance
No. S-79-96, adopted November 12, 1996 - Improvements to the
Waterworks of the City of Fort Wayne the issuance of Revenue Bonds

HAVE HAD SAID (ORDINANCE) ~~(RESOLUTION)~~ UNDER CONSIDERATION
AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID
(ORDINANCE) ~~(RESOLUTION)~~

DO PASS

DO NOT PASS

ABSTAIN

NO REC

James R. Murphy

Robert Hall

Robert Harris

Stephen F. Henry

Walter C. Bell

Thomas E. Hughes

OJ Silberman

DATED: 6-24-97.

Sandra E. Kennedy
City Clerk